



1997 SMALL BUSINESS PROFILE

SMALL BUSINESS: BACKBONE OF THE IDAHO ECONOMY

The importance of small business to the state of Idaho is evident in the 1997 Small Business Profile. The findings reported in this year's profile, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, clearly indicate the crucial role small businesses play in the state's economy. Not only do small businesses play a vital role as job creators, but their diversity and composition provide the work force with endless opportunities.

Number of Businesses - In 1996, Idaho had 34,626 businesses with employees; 97.4 percent of the businesses were small businesses (percent based on 1994 data for independent businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 57,000 self-employed persons in 1996, for an estimated total of 91,626 businesses.

Small Business Income - The income of sole proprietors and partners rose 5.9 percent to \$2.4 billion in 1996, while wage-and-salary income rose 5.6 percent. Total personal income rose 5.7 percent to \$14.8 billion. The state also exported \$1.6 billion of goods in 1996.

Minority Businesses - According to The National Foundation for Women Business Owners, as of 1996, there were 42,100 women-owned businesses in Idaho, including part-time firms, employing 86,800 people and generating \$8.7 billion in sales. Between 1987-1996, the number of women-owned businesses, increased 104.1 percent.

According to the latest Bureau of the Census data, the number of Black-owned firms, including part-time firms, increased 61.7 percent from 1987 to 1992, totaling 152 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 91.5 percent during the same time period with 1,865 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 513 in 1987, to 759 in 1992, representing a 48.0 percent increase.

Business Turnover - The number of new firms increased 3.7 percent, while new business incorporations decreased 4.5 percent in 1996. Financial difficulties leading to business bankruptcies increased by 17.6 percent and business failures increased by 37.9 percent during 1996.

Finance - An SBA Office of Advocacy study found that the number of banks in Idaho decreased from 21 in 1994 to 16 in 1996. The study also found the top lenders to small businesses in fiscal year 1996 were:

Bank Name	Location
PANHANDLE ST BK	Sandpoint
FARMERS NB OF BUHL	Buhl
KEY BK OF ID	Boise
WEST ONE BK ID	Boise

Job Growth - Small businesses created all of the net new jobs from 1992 to 1996. Very small businesses (less than 20 employees) represented 84.5 percent of the small business growth. These numbers clearly reflect the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	36,342	16,219	9,774	(160)	(19,474)	42,703
Manufacturing	401	1,179	280	271	(8,338)	(6,207)
Retail Trade	6,827	3,591	2,491	64	391	13,363
Services	16,628	5,404	4,658	871	(7,359)	20,202
Other	12,486	6,045	2,345	(1,365)	(4,167)	15,345

Industries - The composition of small business in Idaho is very diverse. The Eating & Drinking Places industry is the largest small business employer in Idaho, followed by Health Services. The fastest growing industry for small business is Educational Services (represents industries that were at least 0.25% of the 1994 total).

The following three tables provide further information about the composition of the small business sector in the state. The information is for 1994, the latest year available.

Table 1, Top Five Industries in Idaho by Employment, 1994

Industry	SIC	Employment Total	Percent of Total	Percent Small
Total - All Industries	--	368,120	100.0	61.4
Health Services	8000	35,216	9.6	56.9
Eating & Drinking Places	5800	30,777	8.4	82.5
Food & Kindred Products	2000	17,897	4.9	19.2
Special Trade Contractors	1700	15,648	4.3	98.8
Wholesale Trade-Nondurable Goods	5100	14,282	3.9	74.6

Table 2, Top Five Small Business Industries in Idaho by Employment, 1994

Industry	SIC	Employment in firms with 0 - 499 employees	Percent of Total	Percent Small
Total - All Industries	--	225,974	100.0	61.4
Eating & Drinking Places	5800	25,387	8.4	82.5
Health Services	8000	20,039	9.6	56.9
Special Trade Contractors	1700	15,468	4.3	98.8
Wholesale Trade - Durable Goods	5000	10,725	3.3	87.7
Wholesale Trade-Nondurable Goods	5100	10,650	3.9	74.6

Table 3, Fastest Growing Industries for Small Business in Idaho, 1993 - 1994

Industry	1993	1994	Amount Change	Percent Change
Total - All Industries	213,920	225,974	12,054	5.6
Educational Services	1,261	1,934	673	53.4
Stone, Clay, Glass, & Concrete Products	700	996	296	42.3
Special Trade Contractors	12,344	15,468	3,124	25.3
Fabricated Metal Products Except Machinery	1,297	1,616	319	24.6
Engineering, Accounting, Research, Management, & Related Services	4,976	6,062	1,086	21.8

Sources: Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation of Women Business Owners, and Cognetics Inc.